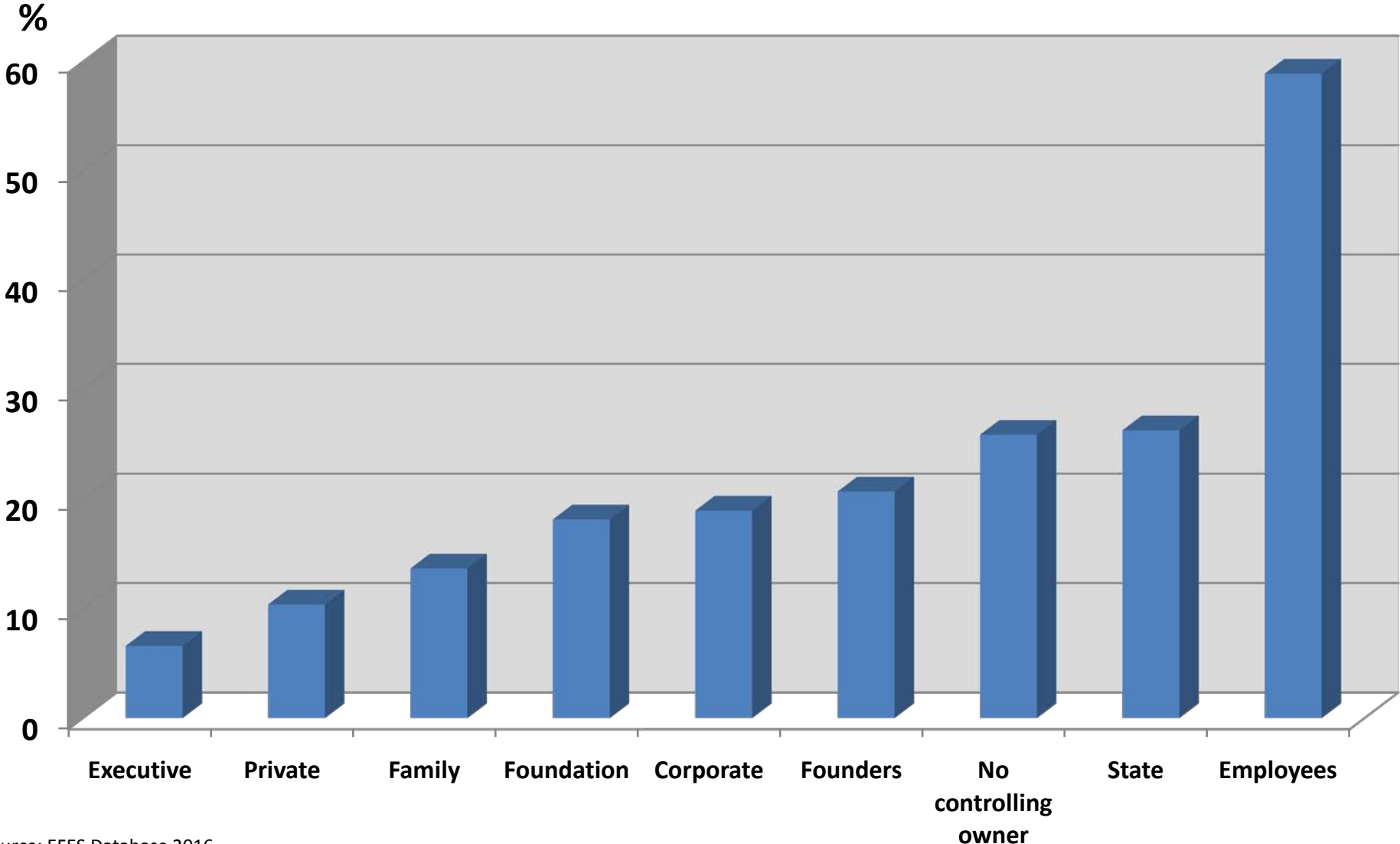


### Democratization rate of employee share ownership in large European companies in relation with the existence of a controlling shareholder



Source: EFES Database 2016

In short:

The EFES database collects all information about employee share ownership in European listed companies and others.

The 2.300 listed companies in the database represent 25% of all European listed companies but 98% of the whole stock capitalization and 96% in terms of employment.

It is thus practically exhaustive.

The next version of the EFES database will bring information about the existence (or not) and stake of a controlling shareholder in each of all listed company.

A controlling shareholder means here a single person holding at least 25% of the capital or votes.

In this sense, 56% of all European listed companies have a controlling shareholder. These companies represent 40% of the whole stock capitalization, which means that a controlling shareholder is more typical in smaller companies.

Eight categories of controlling shareholders are identified here: Executives, Private investors, Families, Foundations, Corporations, Founders, States, Employees.

The first results show that the development of employee share ownership is strongly related to the existence of a controlling shareholder.

The graph describes the development of employee share ownership through its democratization rate. The democratization rate is calculated as the percentage of employee shareholders amongst all employees.

Generally speaking, the existence of a controlling shareholder is a negative factor for employee share ownership.

Two exceptions: Employee share ownership is more developed in state-controlled companies, and the highest democratization rate (60%) can be observed when employees are the controlling owner.

When the controlling shareholder is an Executive Director, the democratization rate of employee share ownership is only 6%.

It is less than 10% when the controlling shareholder is a private investor or fund.

It is only 13% when the controlling shareholder is a family.

As a general conclusion, the most favorable situation for employee share ownership is when there is no controlling shareholder.